



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

04 MAY 2005

Dr. Frank H. Akers, Jr.
Chair, Army Science Board
2511 Jefferson Davis Highway, Suite 11500
Arlington, Virginia 22202

Dear Dr. Akers:

I request that the Army Science Board (ASB) conduct a study on "Enhancing the Resource Posture of the Future Army" in line with recent ASB studies on better uses of Army resources. The study should be guided by, but not necessarily limited by, the Terms of Reference (TOR) described below.

Background:

a. Army objectives and priorities for the future are established in the April 2004 Army Campaign Plan. The 2005 Game Plan lays out the Army leadership's objectives and guidance and recognizes the tough resource issues and risks for the U.S. Army in meeting the demands of manning and maintaining personnel readiness of the Active Component and Reserve Component, modularizing the force, resetting/recapping/replacing equipment and continuing development of the Future Combat System force. Increased resourcing is required to sustain the forces needed to prevail in the Global War on Terrorism (GWOT) and at the same time, continue transformation. While Congress has provided supplemental funding to meet war requirements, the U.S. Army must still balance the inherent risk involved in and meeting the demands of the present.

b. I envision a study that will identify programmatic areas and programs where alternative approaches and application of best practices will benefit the U.S. Army and allow more funds to be applied to areas deemed top priority by Army Leaders. Areas for consideration include but are not limited to current requirements/planning/programming processes, more efficient means of procurement and sustainment of weapons systems and real property, and lowering operations and support costs. Some specific areas of interest are:

(1) Information Technology (IT). Examination of innovative ways to keep pace with and exploit the advances (to include contemporary organization and staffing concepts) reflected in "Moore's Law" which predicts the doubling of IT capabilities every 18 months. To capitalize on these ever-increasing capabilities, both the public and private sectors continually acquire new or enhanced hardware and software. Given the large and recurring nature of the Army's IT costs, keeping pace with technology advances at reduced costs should be examined.

(2) Energy. Examination of concepts to lower the rate of increased energy costs and ability to conserve energy in the long-term. Energy is one of the top 5 operational costs of the U.S. Army and global demand for energy is projected to continue to drive up energy costs. Commercially proven concepts and strategies for coping with external factors may be adaptable to Army efforts to conserve resources long term.

(3) Facilities. Further examination of the use of expanded use of public-private partnerships such as the Residential Communities Initiative, Enhanced Use Leasing and Privatization of Army Lodging to identify additional innovative approaches to maximizing the return on investment for the U.S. Army's construction dollars through expanded use of public-private partnerships, leasing, and other selected methods.

(4) Budget Flexibility. Examination of ways that increase resourcing flexibility. Budget flexibility is critical in the extremely dynamic GWOT. Timely reallocation of funds is achieved through the Department of Defense (DoD)/Congressional reprogramming process. As increased resourcing flexibility is needed, innovative process and practices changes may be justified.

(5) Total Army Analysis (TAA) Requirements. Examination of results of the TAA requirements process to determine the impact TAA outputs have on Army resource allocation decisions. In the FY06-11 Program Objective Memorandum (POM), the U.S. Army's validated peacetime requirements exceeded resources available by well over 20 percent. Although, the TAA process is currently being adjusted for GWOT and modular organizations, the impact of inputs and assumptions should be examined for impacts on system and manpower.

TOR: Consider the following during the conduct of this study.

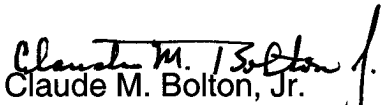
- a. Identify programs where alternative approaches and application of best practices will benefit the Army and release funds for high priority programs.
- b. Examine methods to leverage commercial practices in analogous circumstances.
- c. Review current business practices and suggest changes where appropriate.
- d. Suggest approaches to improve training and reduce time and costs thereof.

Recommendations will include a rough order of magnitude net resource savings in the current POM and budget programs. Identify internal Army and DoD external (regulatory/statutory) rules/regulations/policies that must be considered and, if necessary, overcome to implement the approaches.

Study Sponsorship: Sponsor for this study is the Military Deputy for Budget, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).

Study Duration: The final report should be provided by August 15, 2005. A draft report for review and comment will be provided by May 20, 2005.

Sincerely,


Claude M. Bolton, Jr.
Assistant Secretary of the Army
(Acquisition, Logistics and Technology)